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Robert Ramharter, Section Chief
Environmental Loans Section
Bureau of Community Fin. Assist.
Department of Natural Resources
PO Box 7921
Madison, WI 53707-7921

Loan Interests

ITA and PERF Deadline December 31st!

Ken Hollenzer

December 31, 2004, is the postmark deadline for the Notice of Intent to Apply form (ITA) and Priority Evaluation and Ranking Form (PERF) for State Fiscal Year 2006 projects.

You must submit an ITA and a PERF by this deadline if you intend to request funding from the Clean Water Fund Program (CWFP), the Safe Drinking Water Loan (SDWLP), or the Land Recycling Loan Program (LRLP) between July 1, 2005, and June 30, 2006. **We encourage you to submit ITAs and PERFs well in advance of the December 31 deadline.**

ITAs are valid for one state fiscal year. If your municipality submits an ITA by December 31 for a project but does not receive funding during the following fiscal year, you must submit another ITA to keep the project current with the Environmental Improvement Fund. If your municipality is planning to apply for funds for more than one project, you must submit a separate ITA for each project.

If you already submitted a PERF for your project and there is no change in the scope of that project, you do not need to submit another PERF. We only require one PERF for each project.

To print ITAs and PERFs for all EIF programs, visit our Forms and Publications page at

<http://www.dnr.state.wi.us/org/caer/cfa/EL/Forms/forms.html>
or contact Deb Olson at 608-266-5889 or debra.olson@dnr.state.wi.us if you need forms mailed to you.

If you have questions about ITAs, contact Ken Hollenzer at 608-266-7542 or Kenneth.Hollenzer@dnr.state.wi.us.

If you have PERF questions, contact the PERF specialist for the appropriate program:

For CWFP PERFs, Ken Hollenzer at (608) 266-7542 or Kenneth.Hollenzer@dnr.state.wi.us.

For LRLP PERFs, Maureen Hubeler at (608) 266-0849 or Maureen.Hubeler@dnr.state.wi.us.

For SDWLP PERFs, Jeanne Cargill at (608) 267-7587 or jeanne.cargill@dnr.state.wi.us. ☐

Loan Interests Email List

Jeanne Cargill

Would you like to reduce the amount of paper mail you receive? We can help you do just that! Each time we publish a Loan Interests newsletter, Jodi Armstrong of the Environmental Improvement Fund (EIF) staff sends an e-mail message to many of our readers to inform them that our latest issue of Loan Interests is now available on line for viewing and download. Those readers see Loan Interests anywhere from 2 to 6 weeks prior to those who

wait for a paper copy to come in the mail.

Right now we have all of the issues from 2002 through 2004 on our newsletters page on DNR's website at <http://dnr.wi.gov/org/caer/cfa/EL/Section/Newsletters/newsletters.html>. It's easy to look for EIF funding policies, funding lists, intended use plans, etc. without having to keep paper copies of older issues of Loan Interests. You can print out just one page of an issue if you'd like to keep a particular article handy at your desk, or you can print the entire newsletter if you'd like, when you're ready to read it.

We encourage you to sign up to receive our newsletter announcement e-mails to let you know when we publish Loan Interests on line. We prefer to remove a reader's name from our paper mailing list then, although you can receive the newsletter in both forms. Again, the e-mail announcing the on-line version of Loan Interests gets to our readers 2 to 6 weeks prior to a paper mail copy. There are advantages for our readers to be on the electronic distribution list and, of course, the EIF saves printing and mailing costs when we reduce the number of paper copies we send out.

If you'd like us to add your name to our e-mail list for Loan Interests, contact Jodi Armstrong at 608-264-6120 or jodi.armstrong@dnr.state.wi.us. When you contact her, please let her know whether she can remove your name from the distribution list for the paper copy of the newsletter.

Note: If you receive the e-mail announcements for our newsletter, please be sure to inform Jodi if your e-mail address changes. Having you tell us about a change is the only way we can keep the announcements coming to you without interruption. ☐

Reference Guide Survey Results

Kathy Hanson

In the May 2004 issue of "Loan Interests" we asked our readers to comment on the possibility of no longer offering the EIF Reference Guide in a hard copy format. The EIF Reference Guide would continue to be available on DNR's web site.

Based on the low response (two people responded), we decided not to offer the EIF Reference Guide in a hard copy format. For future EIF Reference Guide inquiries, please refer to the EIF Reference Guide web address: <http://www.dnr.state.wi.us/org/caer/cfa/EL/Guide/alpha.html>.

If you find you need a printed copy of a particular policy from the Reference Guide as you work on EIF projects, feel free to contact any of the staff in the Environmental Loans Section. ☐

Contingency Policy Defined

Bob Ramharter

Staff of the Environmental Loans Section recently convened a workgroup to better define how we should calculate contingency amounts in loans for projects that are substantially underway at the time of the loan closing. Their efforts were in response to an increasing trend over the past few years for projects to draw less than 95% of the loan amount.

Why is this a problem? As you may know, we routinely retain the last 5% of each loan to ensure that the final loan closeout activities are completed. Timely final loan closeouts are important in order to close the project files and release any unused funds. It

has been our experience that, without some retainage, the closeout process becomes more difficult and time consuming.

Calendar of Events

December 31, 2004

ITAs and PERFs

Deadline for CWFP, SDWLP, and LRLP

February 1, 2004

Postmark deadline

LRLP applications

January 15, 2005

**Applications on the web for UNPS and TRM grant programs
(See article in #136)**

An analysis of projects that did not reach the 95% level of funds drawn revealed that, in most cases, these were projects that were substantially underway at the time of loan closing. It had been our practice to allow a contingency amount equal to 5% of the project construction costs that are funded by the Environmental Improvement Fund (EIF). However, this practice led to providing contingency funds for portions of the project already completed and resulted in excess contingency funds in loans. To address this problem, we revised our methodology for calculating contingency amounts as follows:

Project construction not substantially underway at the time of the loan closing

The contingency amount will normally be 5% of the EIF-funded construction costs.

Project construction underway at the time of the loan closing

The EIF will provide contingency only on the portion of the construction that is not yet completed.

When DNR receives change orders before the loan is closed, we will add or deduct the change order amount from the contingency line of the Financial Assistance Agreement (FAA) budget sheet. The Construction Management Engineer (CME) will first review change orders to determine if the costs are necessary and eligible.

The EIF Project Manager will determine the percentage of construction remaining by reviewing the construction invoices. The Project Manager will use only the EIF-eligible costs in each contract when making this determination. A description of the methodology used to calculate the contingency amount will be included in the Project Manager Summary Page (Exhibit F) of your FAA.

The actual contingency amounts included in the FAA may deviate from these procedures on a case-by-case basis. The Project Manager and the CME may jointly agree to adjust the FAA contingency amount upward or downward to reflect the specific circumstances of individual projects.

If you have any questions about how the contingency amount for your project was calculated, contact your project manager. ☐

Land Recycling Loan Program Update

Maureen Hubeler

The Land Recycling Loan Program (LRLP) received one application by the October 1, 2004 deadline. The City of New Richmond submitted an application in the amount of \$3,223,500. The LRLP has already allocated the maximum loan amount to New Richmond on the funding list for SFY 2004, so additional funds cannot be allocated to the City at this time. Section 281.60(8)(a)(2), Wis. Stats., provides that “. . . no eligible applicant may receive more than 25% of the amount established under s. 281.59(3m)(b), Wis. Stats., for that biennium.” If New Richmond does not close on the LRLP loan by July 27, 2005, the LRLP will re-allocate the maximum loan amount of \$2,538,071 to the City for SFY 2005.

At this time, the LRLP has approximately \$1 million to allocate to other political subdivisions that submitted a Notice of Intent to Apply by December 31, 2003. The next application deadline date for these funds is February 1, 2005.

If you have questions regarding the LRLP, contact Maureen Hubeler at 608-266-0849 or maureen.hubeler@dnr.state.wi.us. ☐



Revising NR 166

Jeanne Cargill

We're currently in the process of revising Chapter NR 166 of the Wisconsin Administrative Code. NR 166 contains the rules for the Safe Drinking Water Loan Program (SDWLP).

Bureau of Community Financial Assistance staff are working to make NR 166 more consistent with NR 162, the rules for the Clean Water Fund Program. We're also clarifying program requirements and cost eligibility issues. The Bureau of Drinking Water and Groundwater is working on the priority scoring portion of the Code to improve clarity.

We hope to have an updated NR 166 in place by October 2005, making the code effective for the State Fiscal Year 2007 application cycle.

If you'd like to discuss an issue related to NR 166, contact Jeanne Cargill at 608-267-7587 or jeanne.cargill@dnr.state.wi.us. ☐